



COMMONWEALTH of VIRGINIA

Virginia Employment Commission

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Virginia Job Openings and Labor Turnover in April 2022 Decrease By 19,000

— The BLS Jobs Openings and Labor Turnover Survey Released on June 29th Show Virginia Job Openings in April Retreat from March 2022's revised, record-high total of 340,000 —

RICHMOND— According to the U.S. Bureau of Labor Statistics' April 2022 Job Openings and Labor Turnover Survey (JOLTS), Virginia hiring rose 4.6% over the month to 206,000.

JOLTS data provides information on all pieces that go into the net change in the number of jobs. These components include job openings, hires, layoffs, voluntary quits, and other job separations (which includes retirements and worker deaths). Putting those components together reveals the overall change in payroll employment. JOLTS data is seasonally adjusted and describes conditions on the last business day of the month. Current month's data are preliminary and the prior month's data have been revised.

The number of April 2022 **job openings** in Virginia was a 19,000 decrease from March's 2022's revised figure of 340,000, which was a record high. The number of U.S. job openings fell by nearly a half of a million from March's revised figure of 11.9 million, which also was the highest level in the history of the series which began in January 2001. Nationwide, job openings decreased in most industries with the largest percentage decreases in federal government, arts, entertainment and recreation and healthcare and social assistance. The largest percentage increase occurred in real estate, rental, and leasing and transportation, warehousing, and utilities. The Virginia **job openings rate** (job openings as a percentage

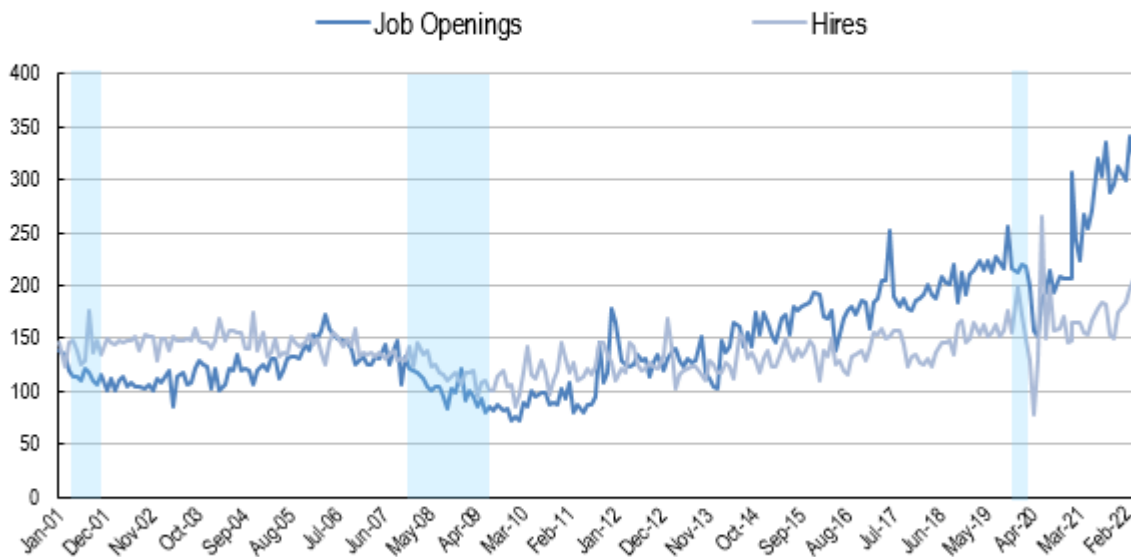
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of total employment) fell by 0.4 of a percentage point to 7.4% in April and was significantly lower than the series high of 7.9% set in September 2021. In April, the U.S. job openings rate decreased in establishments with 250 to 999 employees but increased in establishments with 1,000 to 4,999 employees. The largest significant decreases in job openings rates occurred in Pennsylvania (-1.9 percentage points) and Kentucky (-1.4 points), as well as Alaska and South Carolina (-1.3 points each).

Virginia job openings and hires, January 2001 to April 2022 (in thousands)
 In April 2022, there were 321,000 job openings in Virginia, seasonally adjusted, a retreat from March 2022's record-setting level of 340,000 job openings. The number of April 2022 Hires rose 4.6% to 206,000.



Source: Bureau of Labor Statistics (BLS), Job Openings and Labor Turnover Survey (JOLTS). Seasonally adjusted.
 Shaded areas represent economic recessions.

The **number of hires** in Virginia rose by 9,000 to 206,000 in April and was 50,000, or a third, higher than April 2021. JOLTS defines hires as all additions to the payroll during the month. The series low of 77,000 was set in April 2020, while the high of 265,000 was set in June of that year. Nationwide, the number of hires was little changed at 6.6 million, which was lower than its peak of 8.1 million set in May 2020. The largest percentage increases in U.S. hiring occurred in real estate, rental, and leasing, financial activities, and finance and insurance. State and local government posted the largest percentage fall over the month. Compared to April 2018, U.S. hires were up by one million, or 18%. In Virginia, the **hires rate** rose 0.2 of a percentage point over the month to 5.1%. The U.S. hires rate increased in establishments with 1 to 9 employees and in establishments with 5,000 or more employees but decreased in establishments with 50 to 249 employees. Significant decreases in hires rates occurred in Michigan (-0.8 percentage point), Arkansas (-0.7 point), and Pennsylvania (-0.5 point). Significant increases in hires rates occurred in Colorado (+0.8 percentage point) and in California (+0.4 point).

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An estimated 114,000 workers quit jobs from Virginia employers in April. The **number of quits** rose by 9,000 from March's revised figure of 105,000 but was ten percent lower than a year earlier. In addition, it was down significantly from the record-breaking month of December 2021 when 131,000 Virginia workers quit their jobs. Quits, a component of total separations, are voluntary separations initiated by the employee. Across the U.S. in April, the number of quits was little changed at 4.4 million. They increased by nearly 85% in real estate and rental and leasing over the month. Quits in financial activities rose by 27% while wholesale trade rose by 22%. The number of quits can be seen as a leading indicator of wage trends in that it includes workers who quit to move to another job.

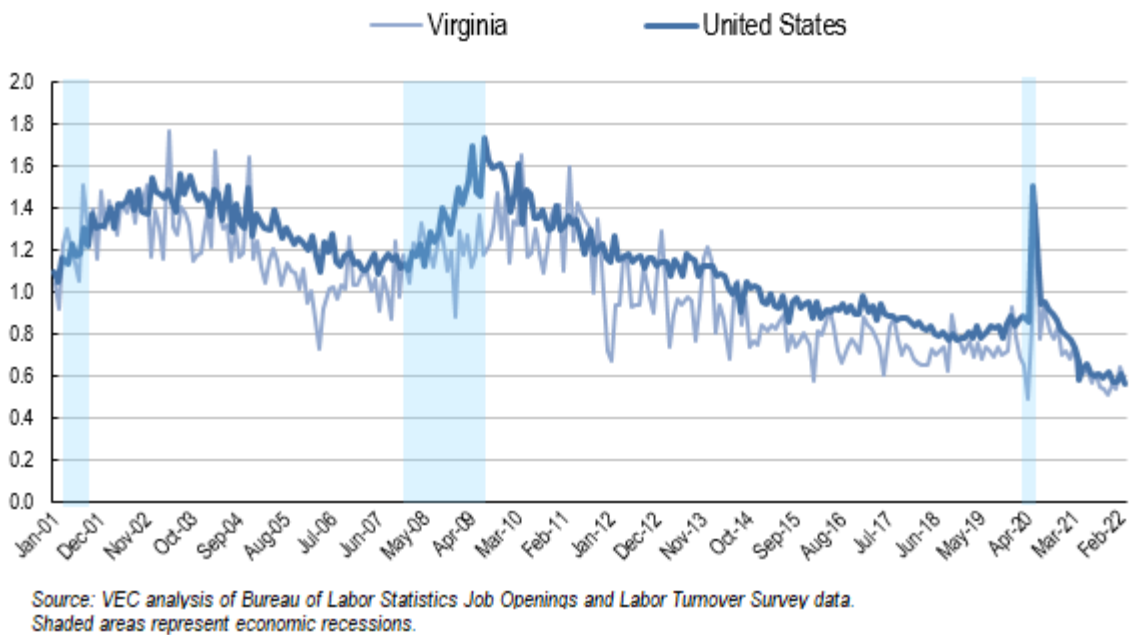
The **quits rate** nationwide was unchanged at 2.9 percent. The **quits rate** in the Commonwealth rose by 0.2 of a percentage point to 2.8% and remained at the highly elevated levels seen during 2021. The U.S. quits rate significantly increased in establishments with 250 to 999 employees and in establishments with 1,000 to 4,999 employees but decreased in establishments with 10 to 49 employees. The largest significant decreases in quits rates occurred in Utah and Wyoming (-1.1 percentage points each) and in Arizona (-1.0 point). The largest significant increases in quits rates occurred in Missouri (+1.1 percentage points), North Dakota (+0.7 point), and Michigan (+0.5 point). The quits rate can serve as a measure of workers' willingness or ability to leave jobs.

The **hires-per-job-openings (HPJO) ratio** held steady at 0.6 in April in Virginia, roughly equal to the rate nationwide. This measure shows the rate of hiring compared to open jobs and is a proxy for time to fill positions. Over five years, the ability to hire for job openings has fallen by nearly a third nationwide but the decline has been less severe in Virginia.

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The Hires-Per-Job-Opening (HPJO) ratio, January 2001 to April 2022

In Virginia, the HPJO ratio in April 2022 was little changed from March 2022's level of 0.6 and was essentially the same as the U.S. rate. This indicates that there were only 60 hires for every 100 job openings in Virginia and nationwide.



In April 2022, there was less than one (0.4) unemployed worker per job opening in the Commonwealth, edging lower in recent months. This period marked the lowest rate since January 2001, when BLS began collecting the data. In Virginia, **the unemployed per job opening ratio** (sometimes called the ‘job seekers ratio’) peaked at 4.4 unemployed per job opening in February 2010 during the Great Recession, while the number of unemployed workers per job opening stood at 3.3 in April 2020 during the height of pandemic employment impacts.

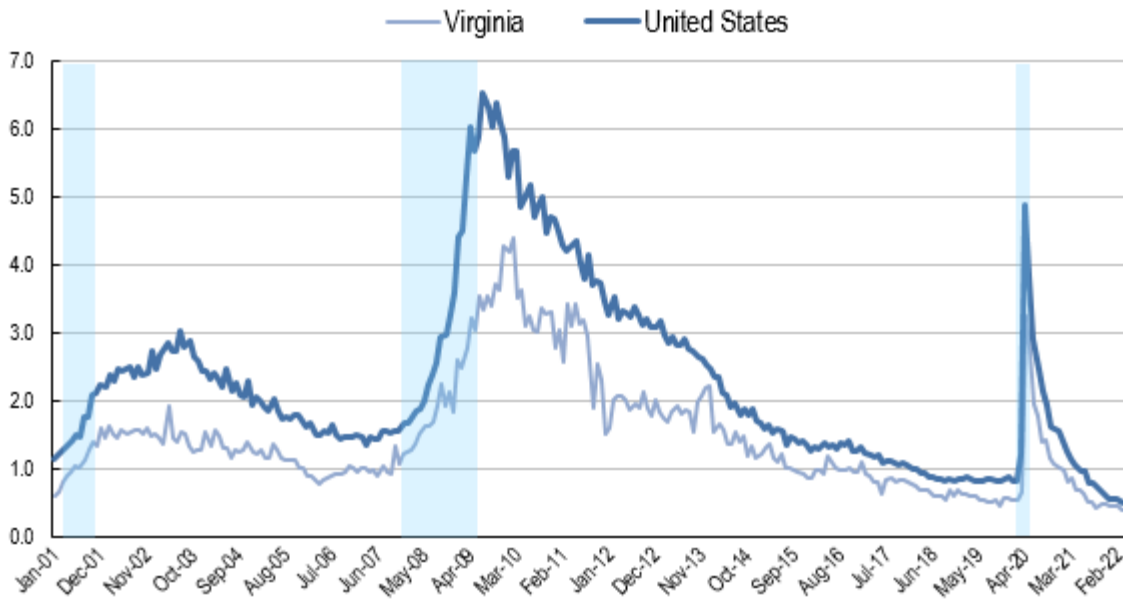
On the last business day of April 2022, there were 11.4 million job openings and 6.0 million unemployed people nationwide. This yielded a ratio of unemployed people to job openings of 0.5 for April, matching the record low set the previous month. The seasonally adjusted unemployment rate nationwide was much lower than in April 2021, declining from 6.0% to 3.6%. This, combined with many more job openings in most industries, indicated a growing imbalance between those measures of labor supply and demand.

In April, the number of total separations in Virginia was little changed at 160,000. The rate was little changed at 4.0 percent. Nationwide, that figure was also little changed at six million. Total separations increased in real estate and rental and leasing (+37,000).

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The Unemployed Per Job Opening Ratio, January 2001 to April 2022

In April 2022, there were 0.4 unemployed per job opening in the Commonwealth, essentially unchanged from March 2022's level that resulted in a new record low. Nationwide, there were 0.5 unemployed per job opening, remaining at the record low also set in March 2022.



Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.
Shaded areas represent economic recessions.

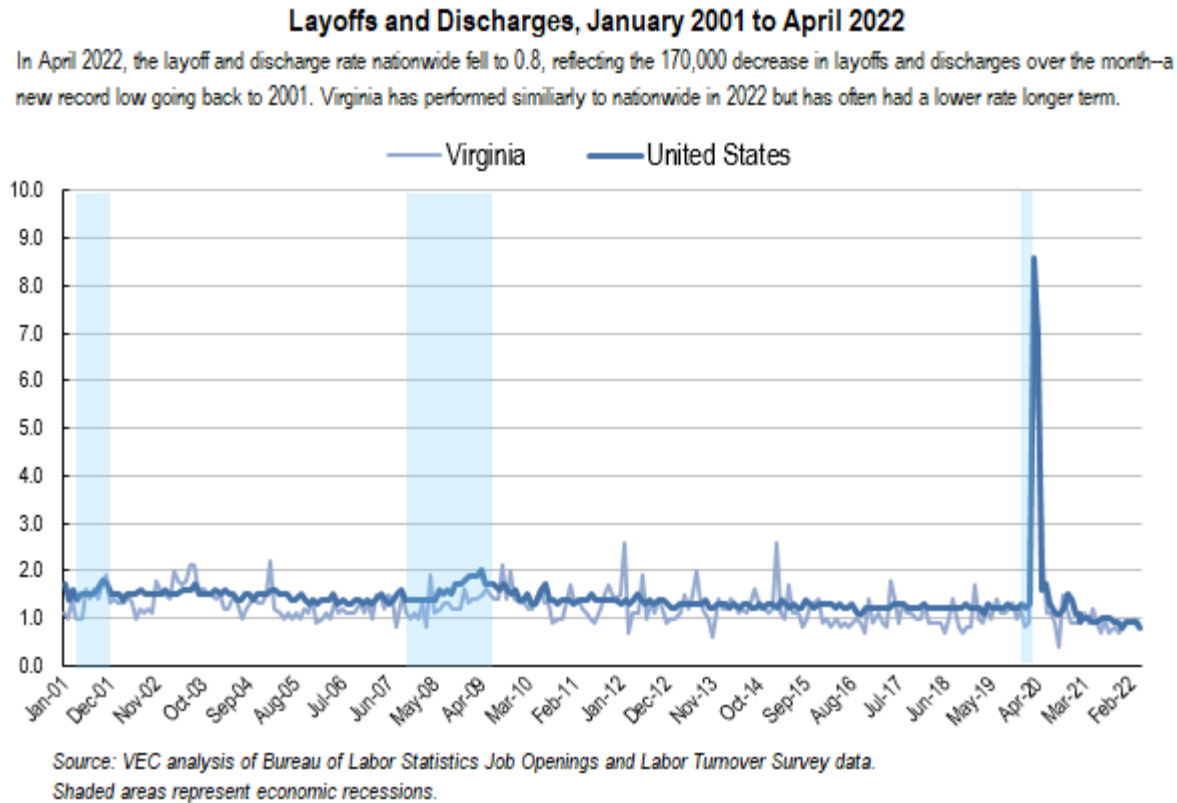
In April 2022, the **‘annual fill’ rate** (the ratio of ‘this month’ hires to ‘last month’ job openings, over the year) fell to 0.9 from the revised March figure of 1.0, the highest level since April 2021. The U.S. annual fill rate was little changed at 0.7. This indicates, in Virginia, a trend in recent month towards less difficulty in filling positions when compared to a year earlier. The fill rate is a measure used to evaluate how labor markets differ in the pace that job openings are filled. An annual fill rate near or above 1.0 can indicate that employers are growing more efficient at filling job openings. On the other hand, an annual fill rate of less than 1.0 can indicate a tighter labor market, with employers having greater difficulty filling job openings compared to a year earlier.

Going back to 2001, the highest annual fill rate occurred during June 2020 because, after the nationwide shutdown due to the COVID-19 pandemic, employers across the country sought to quickly hire for vacated positions. The lowest fill rate in Virginia occurred in June 2021. During that time, there were many factors that hindered the filling of vacant positions by employers, such as health concerns, employee skills, and childcare needs, but the biggest factor was the comparison against the historic re-hiring hike the year before.

The number of **layoffs and discharges** in Virginia decreased by 4,000 to 38,000 in April 2022. This was a reduction of 87% from the pandemic high set in March 2020 but up 8.6% over the year. In April 2022, the number of U.S. layoffs and discharges fell by 170,000 to 1.25 million and pushed the rate down to 0.8 percent. This was a record-low number, going back to January 2001. U.S. layoffs and discharges

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significantly decreased in most industries over the month. Nationwide, the layoffs and discharges rate significantly decreased in establishments with 50 to 249 employees. The largest significant decreases in layoffs and discharges rates occurred in Georgia and New Jersey (-0.5 percentage point each) and in Florida (-0.4 point). The largest significant increases in layoffs and discharges rates occurred in Minnesota (+0.3 percentage point) and in New York (+0.2 point). Layoffs and discharges are involuntary separations initiated by the employer. Layoffs and discharges are countercyclical, which means that layoffs typically increase during economic contractions and decrease during economic expansions.

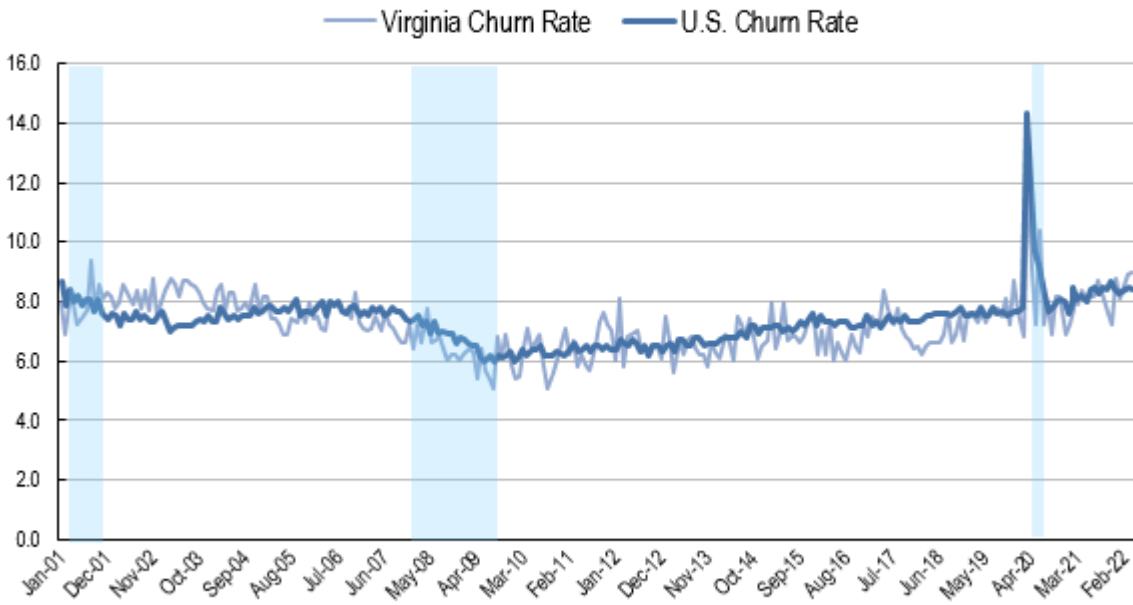


The movement of the April 2022 **churn rate** (the sum of the hires rate and the total separations rate) to 9.0 from March's revised 8.9 in Virginia indicated increased velocity of movement into and out of jobs, to a pace of labor market turnover not seen since the pandemic summer of 2020. Nationwide, the movement of the April 2022 churn rate to 8.4 from March's revised 8.5 nationwide indicated continued elevated velocity in 2022. An elevated churn rate indicates a labor market with a high hires rate, a high separations rate, or both. It can signify that workers are moving more frequently into and out of jobs in the labor market. Conversely, a low churn rate indicates a labor market with a low hires rate, a low separations rate, or both. Labor markets with the most churn may also have more seasonal employment patterns not fully captured by seasonal adjustment factors, which can lead to more frequent job-to-job movement.

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The Churn Rate, January 2001 to April 2022

In April 2022, the churn rate rose from 8.9 in March to 9.0 in the Commonwealth, which was significantly higher than the national rate of 8.4. This indicates that the velocity of labor turnover had often been faster nationwide, but that Virginia has caught up in recent months.



Source: VEC analysis of Bureau of Labor Statistics Job Openings and Labor Turnover Survey data.
Shaded areas represent economic recessions.

In April 2022, measures of Virginia job openings and labor turnover indicated that, despite a contracting economy during the first quarter of 2022, labor markets in the Commonwealth remained very tight. Driven by both layoffs and unemployment in the state at very low levels, the ratio of unemployed persons to job openings reached a record low. After March's record-setting numbers of job openings in Virginia and nationwide, firms appeared reluctant to let staff go in April as the number of U.S. layoffs and discharges also reached a record low. With April 2022 hires a third larger than in April 2021, the ratio of hires per job opening matched its highest level in over a year, as the flurry of movement of Virginia workers between jobs continued.

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The Virginia Employment Commission plans to release the May 2022 analysis of the BLS Job Openings and Labor Turnover Survey for Virginia on Friday, July 22, 2022. The data for all states and the U.S. will be available on the BLS website JOLTS page, at <https://www.bls.gov/jlt/>. BLS is scheduled to release the May JOLTS data for states on Wednesday, July 20, 2022.

Technical note: The Bureau of Labor Statistics (BLS) Job Openings and Labor Turnover Survey (JOLTS) produces monthly data on U.S. and regional job openings, hires, quits, layoffs and discharges, and other separations from a sample of approximately 21,000 establishments. As a supplement, BLS has begun publishing state estimates that provide monthly information that can be used to better understand the dynamic activity of businesses in state economies that leads to aggregate employment changes. For more information on the program's concepts and methodology, see "Job Openings and Labor Turnover Survey: *Handbook of Methods* (Washington, DC: U.S. Bureau of Labor Statistics, July 13, 2020), <https://www.bls.gov/opub/hom/jlt/home.htm>. For more information on BLS' state JOLTS estimates, see https://www.bls.gov/jlt/jlt_statedata.htm.

*Definitions of JOLTS terms**

Job Openings

Job openings include all positions that are open on the last business day of the reference month. A job is open only if it meets the following three conditions: (1) A specific position exists and there is work available for that position; the position can be full time or part time, and it can be permanent, short term, or seasonal; (2) the job could start within 30 days, whether or not the employer can find a suitable candidate during that time; and (3) the employer is actively recruiting workers from outside the establishment to fill the position. Excluded are positions open only to internal transfers, promotions or demotions, or recalls from layoffs.

Hires

Hires include all additions to the payroll during the entire reference month, including newly hired and rehired employees; full-time and part-time employees; permanent, short-term, and seasonal employees; employees who were recalled to a job at the location following a layoff (formal suspension from pay status) lasting more than 7 days; on-call or intermittent employees who returned to work after having been formally separated; workers who were hired and separated during the month; and transfers from other locations. Excluded are transfers or promotions within the reporting location, employees returning from a strike, and employees of temporary help agencies, employee leasing companies, outside contractors, or consultants.

Separations

Separations include all separations from the payroll during the entire reference month and are reported by type of separation: quits, layoffs and discharges, and other separations. Quits include employees who left voluntarily, except for retirements or transfers to other locations. Layoffs and discharges include involuntary separations initiated by the employer, including layoffs with no intent to rehire; layoffs (formal suspensions from pay status) lasting or expected to last more than 7 days; discharges resulting from mergers, downsizing, or closings; firings or other discharges for cause; terminations of permanent or short-term employees; and terminations of seasonal employees (whether or not they are expected to return the next season). Other separations include retirements, transfers to other locations, separations due to employee disability, and deaths. Excluded are transfers within the same location, employees on strike, and employees of temporary help agencies, employee leasing companies, outside contractors, or consultants.

*Excerpted from U.S. Bureau of Labor Statistics, *Handbook of Methods*, "Job Openings and Labor Turnover Survey: Concepts," <https://www.bls.gov/opub/hom/jlt/concepts.htm>.